

AMENDED IN ASSEMBLY JULY 21, 1998

AMENDED IN SENATE JANUARY 7, 1998

**SENATE BILL**

**No. 267**

**Introduced by Senator Maddy**

**(Coauthor: Senator Solis)**

*(Coauthors: Assembly Members Ashburn and Honda)*

February 5, 1997

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~~An act to add Sections 16531.1 and 16532.2 to the Government Code, relating to health care funding, and making an appropriation therefor. An act to add and repeal Section 16531.1 of the Government Code, making appropriations for the support of human services programs in accordance with the provisions of Section 12 of Article IV of the Constitution of the State of California, and declaring the urgency thereof, to take effect immediately.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 267, as amended, Maddy. ~~Medi-Cal: claims—Human services funding.~~

*Existing law establishes various health and social services programs under the jurisdiction of the State Department of Health Services, the State Department of Developmental Services, and the State Department of Social Services.*

*This bill would create the Human Services Reimbursement Fund, which would be continuously appropriated to the Controller to pay for the costs of services and benefits provided under specified human services programs administered by these departments, when provided on or*

after July 1, 1998, and not later than September 1, 1998, or the date of enactment of the Budget Act of 1998, whichever occurs first.

The bill would appropriate certain state and federal funds into the Human Services Reimbursement Fund in order to pay for the costs for which reimbursement is provided pursuant to the bill.

This bill would declare that it is to take effect immediately as an urgency statute.

~~Existing law provides for the Medi-Cal program, administered by the State Department of Health Services, under which qualified low-income persons are provided with health care services.~~

~~Existing law provides for funding of payments for Medi-Cal providers through appropriations in the annual Budget Act made to the Health Care Deposit Fund.~~

~~This bill would authorize the State Department of Health Services to make loans to the Health Care Deposit Fund from funds that are not required to meet other demands for payment of claims for Medi-Cal providers, and would authorize the department to continue to make payments from the Health Care Deposit Fund to reimburse Medi-Cal providers during the period of fiscal years for which a Budget Act has not been enacted. By extending the authorization to use appropriated funds for additional fiscal year payments to Medi-Cal providers, this bill would result in an appropriation.~~

Vote: <sup>2</sup>/<sub>3</sub>. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 16531.1 is added to the
- 2 Government Code, to read:
- 3 16531.1. (a) ~~Without regard to fiscal year, where the~~
- 4 ~~General Fund contains funds that are not required to~~
- 5 ~~meet any demand that has accrued or that may accrue~~
- 6 ~~against it, the Controller may make one or more loans~~
- 7 ~~available to transfer sufficient funds to the Health Care~~
- 8 ~~Deposit Fund to respond to claims made for health care~~
- 9 ~~services provided pursuant to Chapter 7 (commencing~~

~~with Section 14000) or Chapter 8 (commencing with  
Section 14200) of Part 3 of Division 9 of the Welfare and  
Institutions Code.~~

~~(b) Loans made pursuant to subdivision (a) shall be  
subject to the repayment requirements of Section 16351.~~

~~(c) The cumulative total amount of loans made  
pursuant to subdivision (a) shall not exceed two hundred  
fifty million dollars (\$250,000,000).~~

~~SEC. 2. Section 16532.2 is added to the Government  
Code, to read:~~

~~16532.2. Notwithstanding any other provision of law,  
if a state Budget Act is not enacted into law by June 30 of  
any fiscal year preceding the fiscal year to which the  
Budget Act would apply, the State Department of Health  
Services may continue to reimburse Medi-Cal providers  
on and after July 1 of the applicable fiscal year from funds  
remaining in the Health Care Deposit Fund, including,  
but not limited to, funds derived from the loans to the  
Health Care Deposit Fund made available pursuant to  
subdivision (a) of Section 16532.1.~~

~~16531.1. Notwithstanding Section 13340 or any other  
provision of law, the following requirements shall apply  
during the 1998-99 fiscal year:~~

~~(a) The Human Services Reimbursement Fund is  
hereby created in the State Treasury. Notwithstanding  
Section 13340, the Human Services Reimbursement Fund  
is hereby continuously appropriated to the Controller for  
the purposes specified in this section.~~

~~(b) (1) There is hereby appropriated to the Human  
Services Reimbursement Fund, from each of the funds  
from which appropriations are contemplated by the  
Budget Act items set forth in subdivision (c), the amount  
prescribed for each fund by paragraph (2). The  
appropriations in this subdivision shall be in the form of  
one or more loans.~~

~~(2) The amount of the appropriation from each fund,  
as provided for under paragraph (1), shall be an amount  
sufficient to provide for the state's share of cost for  
services and benefits under each of the programs to  
which each of the Budget Act items specified in~~

1 subdivision (c) applies, if these services and benefits are  
2 provided on or after July 1, 1998, but prior to the  
3 enactment of the Budget Act of 1998 or September 1,  
4 1998, whichever occurs first.

5 (c) The Budget Act items, as contained in Assembly  
6 Bill 1656, as amended June 3, 1998, to which subdivision

7 (b) applies are as follows:

8 (1) Item 4260-101-0001.

9 (2) Item 4260-111-0001.

10 (3) Item 4260-111-0009.

11 (4) Item 4260-111-0099.

12 (5) Item 4260-111-0231.

13 (6) Item 4260-111-0232.

14 (7) Item 4260-111-0233.

15 (8) Item 4260-111-0236.

16 (9) Item 4260-111-0279.

17 (10) Item 4260-112-0001.

18 (11) Item 4260-113-0001.

19 (12) Item 4300-101-0001.

20 (13) Item 5180-101-0001.

21 (14) Item 5180-102-0001.

22 (15) Item 5180-111-0001.

23 (16) Item 5180-141-0001.

24 (17) Item 5180-151-0001.

25 (d) The Controller shall transfer from the Federal  
26 Trust Fund to the Human Services Reimbursement Fund  
27 an amount sufficient to provide for the federal share of  
28 cost for services and benefits under the programs to  
29 which the Budget Act items specified in subdivision (e)  
30 apply, if these services and benefits are provided on or  
31 after July 1, 1998, but prior to the enactment of the Budget  
32 Act of 1998 or September 1, 1998, whichever occurs first.

33 (e) The Budget Act items, as contained in Assembly  
34 Bill 1656, as amended June 3, 1998, to which subdivision

35 (d) applies are as follows:

36 (1) Item 4260-101-0890.

37 (2) Item 4260-111-0890.

38 (3) Item 4260-112-0890.

39 (3.5) Item 4260-113-0890.

40 (4) Item 4300-101-0890.

1 (5) *Item 5180-101-0890.*

2 (6) *Item 5180-111-0890.*

3 (7) *Item 5180-141-0890.*

4 (8) *Item 5180-151-0890.*

5 (f) *The Controller shall expend moneys in the Human*  
6 *Services Reimbursement Fund to pay for the state and*  
7 *federal share of costs of any services or benefits to which*  
8 *subdivision (b) or (d) applies. The department*  
9 *administering the specific program for which*  
10 *reimbursement is sought shall, prior to the payment of a*  
11 *claim by the Controller, validate the amount due and to*  
12 *whom it is owed.*

13 (g) *Upon the enactment of the Budget Act of 1998, the*  
14 *Controller shall transfer all unexpended funds in the*  
15 *Human Services Reimbursement Fund to the*  
16 *appropriate Budget Act item.*

17 (h) *The amount of any loan made pursuant to*  
18 *subdivision (a) and for which moneys were expended*  
19 *from the Human Services Reimbursement Fund shall be*  
20 *repaid by debiting the appropriate Budget Act item in*  
21 *accordance with the procedure prescribed by the*  
22 *Department of Finance.*

23 (i) *This section shall remain in effect only until July 1,*  
24 *1999, and as of that date is repealed, unless a later enacted*  
25 *statute which is chaptered on or before July 1, 1999,*  
26 *deletes or extends that date.*

27 SEC. 2. *This act is an urgency statute necessary for the*  
28 *immediate preservation of the public peace, health, or*  
29 *safety within the meaning of Article IV of the*  
30 *Constitution and shall go into immediate effect. The facts*  
31 *constituting the necessity are:*

32 *In order to provide funding for various human services*  
33 *programs during a portion of the 1998–99 fiscal year, at*  
34 *the earliest possible time, it is necessary that this act go*  
35 *into immediate effect.*